

## DOMESTIC INCENTIVE PROGRAM

1. The custom rates below are contingent upon the revenue tendered to UPS by the Customer and upon the Customer maintaining its current shipping characteristics under this Agreement.

Customer further agrees that discounts do not apply to Additional Charges which are defined as those additional and accessorial charges set forth in the UPS Rate Charts in effect at the time of shipping, which are subject to change at any time.

2. With respect to **Ground Commercial** and **Residential** packages billed via **Outbound Prepaid** and **Inbound Freight Collect**, UPS agrees to grant the Customer custom rates per the attached Commercial and Residential rate charts in **Attachment F**.
3. With respect to UPS **Ground Hundredweight** packages billed via **Outbound Prepaid** and **Inbound Freight Collect**, UPS agrees to transport such shipments as Customer may tender to UPS and to provide Customer such transportation and additional services in accordance with the rules of UPS Hundredweight Service in effect at the time of shipping.

UPS agrees to transport UPS Ground Hundredweight packages tendered by Customer and apply UPS Hundredweight pricing when the actual aggregate weight of all ground packages in each shipment delivered to one Consignee at one location on the same day from the same shipper is 200 pounds or more.

UPS agrees to grant the State of California the following percentage discounts from the Tier 02 published UPS Hundredweight Rate and Service Guide in effect at the time of shipping. Customer further agrees that no discount applies to Additional Charges.

GROUND HUNDREDWEIGHT DISCOUNTS									
Pounds			Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
500	-	1,999	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
200	-	499	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

A minimum charge for a UPS Ground Hundredweight Service shipment will be the greater of either a charge based on 15 pounds per package or the UPS Hundredweight published rate minimum for applicable tier in effect at the time of shipping.

4. With respect to **Air Commercial** and **Residential** packages billed via **Outbound Prepaid** and **Inbound Freight Collect**, UPS agrees to grant the Customer custom rates per the attached Commercial and Residential rate charts in **Attachment F-1**.
5. With respect to UPS **Air Hundredweight** packages billed via **Outbound Prepaid** and **Inbound Freight Collect**, UPS agrees to transport such shipments as Customer may tender to UPS and to provide Customer such transportation and additional services in accordance with the rules of UPS Hundredweight Service in effect at the time of shipping.

UPS agrees to grant the State of California the following discounts from the published **Tier 02** UPS Hundredweight Rate and Service Guide in effect at the time of shipping:

NEXT DAY AIR HUNDREDWEIGHT DISCOUNTS							
Pounds	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108
500 - Or more	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Less than - 500	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

NEXT DAY AIR SAVER HUNDREDWEIGHT DISCOUNTS							
Pounds	Zone 132	Zone 133	Zone 134	Zone 135	Zone 136	Zone 137	Zone 138
500 - Or more	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Less than - 500	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

2 <sup>ND</sup> DAY AIR HUNDREDWEIGHT DISCOUNTS							
Pounds	Zone 202	Zone 203	Zone 204	Zone 205	Zone 206	Zone 207	Zone 208
500 - Or more	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Less than - 500	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

UPS will apply UPS Air Hundredweight pricing when the actual aggregate weight of all air packages in each shipment delivered to one Consignee at one location on the same day from the same shipper is 100 pounds or more.

A minimum charge for a UPS Next Day Air, UPS Next Day Air Saver or UPS 2<sup>nd</sup> Day Air shipment will be based on an average weight of 10 pounds per package.

If the dimensional weight of a package measuring over one cubic foot exceeds the actual weight, the dimensional weight of that package will be used in the calculation of the shipment-billed weight.

- With respect to **U.S. Outbound Prepaid and Inbound Freight Collect UPS International Export** letters and packages, UPS agrees to grant Customer custom rates per the attached rate charts in **Attachment F-2**.